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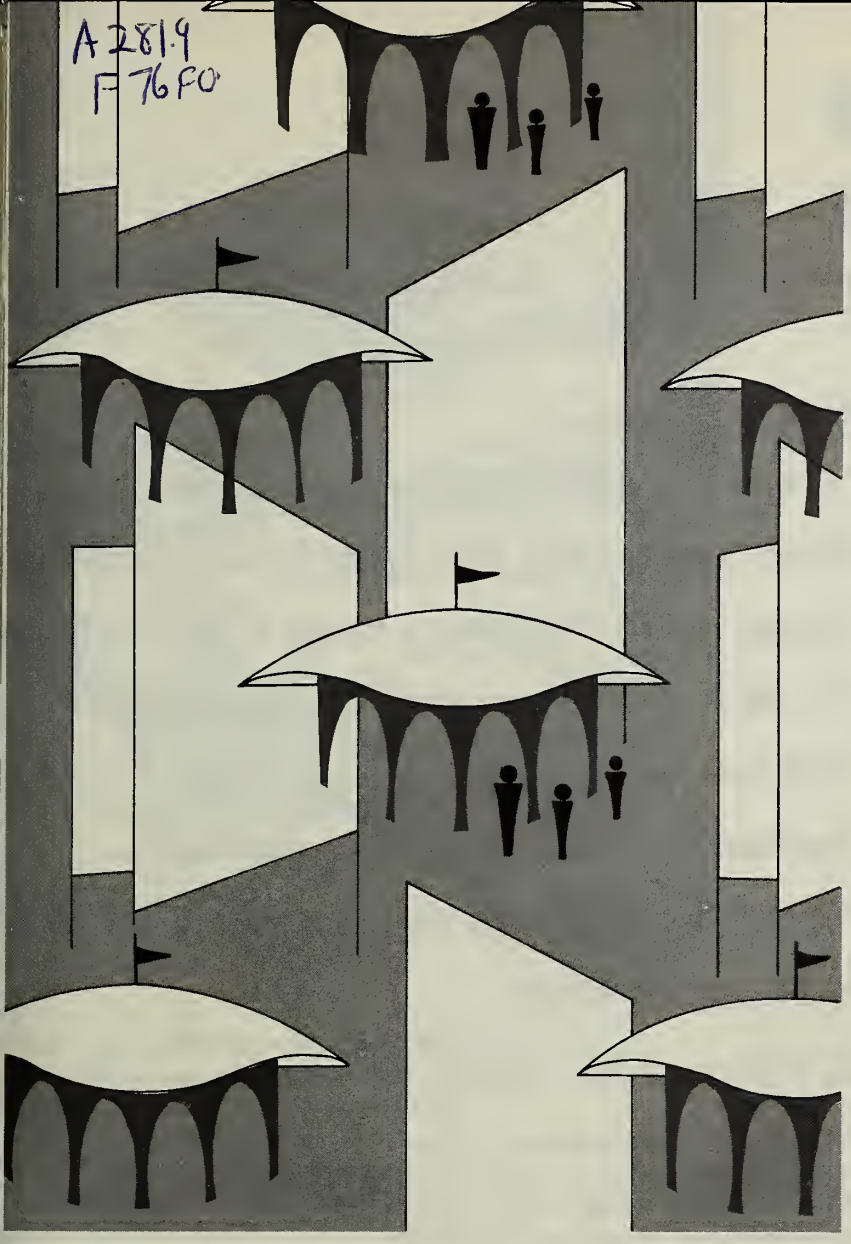

JANUARY 1, 1968

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MAINLAND CHINA'S AGRICULTURE IN 1967

P.L. 480 RESEARCH

1968 TRADE FAIR PROGRAM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURAL SERVICE

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Including FOREIGN CROPS AND MARKETS

JANUARY 1, 1968

VOLUME VI • NUMBER 1

Pavilions are raised, banners fly, and crowds appear as FAS and the U.S. food industry prepare for another year of overseas promotions. For the 1968 schedule, see page 9.

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"Cultural Revolution" Retards Farming in Mainland China

By JOHN R. WENMOHS
U.S. Agricultural Officer, Hong Kong

Two factors were the outstanding influences on Mainland China's agriculture in 1967—"cultural revolution" activities and unusually favorable weather.

Judging by weather alone—which is believed to have been the most favorable since the Communists gained control of the Chinese mainland in 1949—agricultural production probably should have exceeded all previous records under the Communists. But the Great Proletarian Cultural Revolution, which was operative in the rural areas for the first full year, was a counterbalancing factor.

Based on available information, there is no reliable means of quantifying the favorable and the adverse factors and then balancing them. However, it is likely that production in 1967, although larger than in 1966, failed to reach the potential indicated by the weather.

There is adequate information, however, to show that the activities of the cultural revolution adversely affected agricultural production. They interfered with deliveries of tools, fertilizers, insecticides, and other production inputs—the result of both production and transportation difficulties. Also, imports of chemical fertilizers were delayed by a congestion in Chinese seaports. In late September, these problems became so serious that Peking requested a delay in Japanese fertilizer deliveries. Resumption of the shipments was requested in November.

Revolution moves to rural areas

Cultural revolution activities also weakened the administrative machinery in rural areas. Some teams, brigades, and communes found themselves at times during the year without experienced cadres (government and party functionaries) to direct the work. In other areas, cadres refused to take responsibility for timely work in collective fields.

The Red Guards, organized during the late spring of 1966, apparently very hurriedly, to carry out the cultural revolution, were told to stay out of the rural areas until the autumn harvest was over. During the summer they were very active in the urban areas, where they created havoc in their drive to rid the country of what they considered to be the old and the backward and of the other forces they believed to be working against Mao Tse-tung's "thought." They were erratic and undiscriminating in attempting to eliminate all opposition.

Then, in December 1966 and January 1967, the revolution was carried to the countryside. It became evident soon that resistance here was much stronger than the Maoists had anticipated. In a short time the peasants saw that the new movement would destroy treasured ancestral tablets, other sacred objects, and long-held beliefs, that cultural practices, if successful, would take away their private plots, pigs, and poultry and decrease their share of the harvests.

Authorities admitted that some of the peasant resistance took the form of looting grain warehouses. Some peasants also resisted by dividing all or as much of the harvest as they could get away with among the members of the collective. In some cases they divided the seed set aside for the collective fields as well as the collective grain reserve.

Practically no winter work was done on the repair and maintenance of irrigation and drainage facilities. In view of this neglect, the Chinese Communists have been fortunate that no major floods occurred in the country during 1967.

Other traditional winter farmwork was also neglected. And the entire administrative framework became badly disjointed; in many cases it broke down completely. The situation in urban centers was even worse. In many, the trans-

portation system ceased operating. Work in factories slowed down and in some cases stopped.

Letup in revolution activities

The central authorities eased the pressure and attempted to restore order. As a result, it appears that February and March of 1967 were relatively quiet. Peasants went back to work, and probably most of the necessary farmwork was done. There was some improvement in the transportation system, but probably not enough to make up for losses resulting from December and January stoppages. There is little doubt that the flow of tools, fertilizers, insecticides, and other production supplies was significantly below the 1966 level.

During the April-through-June period, rural areas—except those within about 30 miles of the cities—seem not to have been affected by cultural revolution activities. However, cadre morale and prestige had been undermined by the earlier events of the cultural revolution. Consequently, cadre activity in directing farmwork was generally very low. As a result, the peasants tended to neglect the collective sector and to spend more time on private plots and other private activities.

Authorities have procurement problems

During this time, amounts of food on the private market seem to have increased substantially. The sources of vegetables on the free market can be explained, but it is more difficult to explain the source of the grain, especially since it is unlawful for unauthorized persons to sell it; it may have come from commune reserves. Food shortages were also reported in some areas, though none appear to have reached famine proportions.

The July-through-October period was characterized by increased concern of the central authorities over procurement of agricultural produce. They waged a vigorous procurement program, exhorting peasants to deliver more for sale to the government. The peasants were also told that it was contrary to government law as well as Mao "thought" to distribute all production to members. They were warned that they must not "snatch" the harvest from neighboring teams, brigades, and communes just because they held different points of view.

Understandably the central authorities in Peking are experiencing considerable difficulty in exerting enough control over the harvest to insure adequate supplies for the chronically deficit provinces of Hopei, Shansi, Honan, Shantung, and Liaoning. It also appears that the difficulties are caused not only by the peasants who want to keep as much grain as possible but also by officials on the local and provincial levels, who, for political reasons, seek to retain such surpluses. Large urban centers outside the deficit provinces may also experience some difficulty in feeding their people.

Apparently the cultural revolution in the countryside has backfired. The weakening of authority has made difficult the implementation of existing unpopular programs and generally complicated the state's effort to control the supply and distribution of foodstuffs. Should serious food shortages develop this winter, it probably will be because the turmoil of the cultural revolution has caused a slowdown in transportation, a shortfall in procurement, a breakdown in distribution, and a general deterioration in discipline. In light of past production, the 1967 harvest should have been sufficient to carry the country through until the harvest of 1968 becomes available.

Ireland Restricts British Plant, Animal Product, Vehicle Imports

As a precaution against introducing foot-and-mouth disease into the Republic of Ireland, restrictions or prohibitions have been placed on imports of British plants and plant materials, dairy products (both fresh and in other forms), fertilizers of animal origin, hides and hair and other animal products, and used vehicles.

Restrictions also apply to many fresh fruits and vegetables not grown in Britain that have been transferred in British ports. For example, fruits and vegetables from the United States destined for Ireland that are transshipped in Liverpool may be on the prohibited list.

All live plants and parts of live plants, raw vegetables and fruits, and flowers from Britain are being refused entry. However, timber, dried grasses, canes, and fibers without roots attached may be imported. The entry ban applies to live plant materials for which licenses had already been issued; holders of licenses have been informed.

Dairy products from Northern Ireland can be shipped directly to the Republic of Ireland. However, dairy products from the rest of Britain can be imported to Ireland only under license issued by the Ministry of Agriculture and Fisheries.

Imports of many British animal products, such as hides, skins, hair, bristles, bones and bone derivatives, serums and antiserums have been restricted, and an importation license is required. Wool cannot be imported except under license if it either originated in or passed through Britain.

Fertilizers containing animal matter (blood, meat, or bone) have been temporarily banned and no import licenses are being issued. The prohibition does not apply to fertilizers that do not contain animal matter. Ireland had previously prohibited the entry of all four-footed animals, meats, and meat products from continental Europe and Britain.

Used agricultural machinery or vehicles in which animals have been transported can be brought into Ireland only under a license given by the Ministry of Agriculture and Fisheries. The only vehicles that may enter Ireland from Britain without a special license are new ones that have never been driven on British roads.

The Minister for Agriculture and Fisheries has stated that the government will not hesitate to take even more drastic measures to prevent the spread of foot-and-mouth disease from Britain to Ireland if such precautions seem necessary. Such further control could include a ban on travelers from Britain. Foot-and-mouth disease, if it spread through Ireland before eradication programs could be implemented, could lead to near disaster for Ireland's farmers and for the country in general.

—Based on dispatches from
RICHARD E. BELL
U.S. Agricultural Attaché, Dublin

Yugoslav Farmers Help Country's Balance of Payments Position

Yugoslavia's agricultural producers continued to make substantial contributions to their country's economy in 1967. While total farm output was down approximately 5 percent from the very good level of 1966, it compares favorably with that of previous years. One of the chief beneficiaries of this increased production is the country's balance of payments position as agricultural exports contribute substantially to the total foreign exchange earnings needed to hold this balance in equilibrium.

Good weather was the chief factor behind agriculture's gains. Not to be overlooked, however, are farmers' responses to more favorable agricultural prices, easier credit, and broader market outlets and their greater use of fertilizers, insecticides, and hybrid seeds.

Wheat—the bellwether

Production of wheat hit a peak of 4.82 million metric tons, up 4.8 percent from 1966, according to the Federal Statistical Office's estimate. Larger acreage, favorable weather during the growing season, and greater use of high-yielding varieties and fertilizer take credit for the rise, as well as for the record-high average yields. In 1967 high-yielding varieties were harvested from 75 percent of the total area of about 4.7 million acres, compared with 70.5 percent in 1966. Quality of the crop was generally good.

Bigger crops are decreasing Yugoslavia's reliance on imported wheat. Imports of only 284,000 tons in 1966-67 compared with 1.4 million in 1965-66. Despite larger crops, Yugoslavia continues to need to import higher protein milling wheats for blending. For 1967-68, needs are estimated at 350,000 tons.

Corn production is estimated by the Yugoslav Government at 6.5 million to 6.7 million tons, a decline of approximately 16 percent from the previous year's record high as a result of a prolonged dry spell at the most critical period of the crop's development. Exports during 1967 are estimated by the trade at 800,000 tons, the highest level in the postwar period, with countries in Western Europe the principal outlets. In 1967-68 exports are expected to be cut back considerably because of the smaller 1967 crop and increased hog numbers.

Dry bean production, at 214,000 tons, was slightly below that of 1966 but still 7 percent above the 1962-66 average. Output of dry peas declined 5 percent.

Sunflowerseed production drops

Production of sunflowerseed is unofficially estimated at 262,500 metric tons, a decline of 7 percent because of a drop in both area planted and average yields. It appears that production of this crop is becoming less profitable to producers in comparison with wheat, corn, and sugarbeets. In view of declining production, the government may possibly increase the support price of sunflowerseed, which would lead to a rise in the price of the refined oil.

Better yields per acre because of improved technology brought lint cotton production up to 10,000 bales (480 lb. net) from 9,000 in 1966. During the 1966-67 fiscal year, cotton imports totaled about 456,000 bales, compared with 416,000 the year before, as both cash and barter purchases increased. The U.S. share in the most recent year was 43 percent, against 36 percent a year earlier. Higher prices, elimination of retail credit sales, and competition from foreign textiles brought on a slowdown in the domestic textile industry in the past year. Some improvement is foreseen for 1967-68 as a result of quality improvement in the domestic product and a cutback in textile imports.

Production of hops is estimated at 5,200 metric tons, down 6 percent because of drought during July and August. Exports rose slightly in 1966-67 to 4,503 tons, against 4,078 the year before, with West Germany, the United States, and the United Kingdom the principal buyers. At the same time, domestic consumption increased 16 percent to 912 tons because of greater beer production.

Output of tobacco leaf rose 11 percent to about 60,000 metric tons, primarily as a result of higher yields. Acreage was down some as the government refused to increase minimum support prices, which have not changed since 1965. Further development of tobacco production will very likely depend on how the price question is settled. Exports of tobacco in 1967 are expected to total only 17,000 metric tons, down from 21,000 in 1966.

Apple production climbed 21.5 percent to 260,000 tons, and no imports were anticipated in 1967. In 1966, about 9,350 tons were imported to reduce retail prices on the domestic market. Pear output was also up, estimated at about 90,000 tons. No official estimates of fresh plum and dried prune outputs have been released, but they are unofficially gaged at 450,000 and 12,000 metric tons, respectively. This puts the plum crop 38 percent below that of 1966 and the prune output down 34 percent.

Meat production increasing

The good field crops produced in 1966 brought expanding livestock numbers and increased production of beef, pork, mutton, and poultry in 1967.

Numbers of cattle, hogs, sheep, goats and poultry all were up. This has resulted in forecasts of larger cattle, sheep, and lamb exports and fewer hog imports.

Exports of cattle in 1967 are estimated at 70,000 head against the 1966 level of 63,000. In 1966, they were up 242 percent over 1965, with most going to Italy and Greece. Production of beef in 1967 was expected to reach 225,000 metric tons, up 4 percent. However, exports were expected to fall short of last year's 76,000 tons because of smaller sales to the EEC.

Exports of hogs are estimated at 10,000 head, compared with 2,000 in 1966, and are set at 30,000 for 1968. Pork output is estimated at 300,000 tons in 1967, against 287,000.

Sheep and goat numbers have been showing a steady increase which is forecast to continue into 1968. Likewise, exports have been climbing, and are estimated at 170,000 head in 1967. Output of lamb and mutton is placed at 48,000 tons, up from 46,000 in 1966.

Output of poultry meat was expected to hit 100,000 metric tons, up from 88,000 in 1966. Government policy now aims at making chicken meat—once the most expensive type—competitive with other meats. However, high losses in poultry numbers, especially on state farms, still present obstacles.

—Based on a dispatch from FRANK W. EHMAN
U.S. Agricultural Attaché, Belgrade

P.L. 480 Research Stresses Pest Control and Marketing

During fiscal year 1967 grants for agricultural research under Title I of P.L. 480 were made to 16 foreign countries for projects ranging from study of the hairy sprout potato disease to experiments with animal food production from waste waters. Grants awarded this year bring the total for the 9-year program to 924; India, with 45 of the 109 projects sponsored in 1967, is once again the largest recipient. Although 30 percent of the new research comes under the general category of market development, the greatest number of individual projects on one topic deal with insect control.

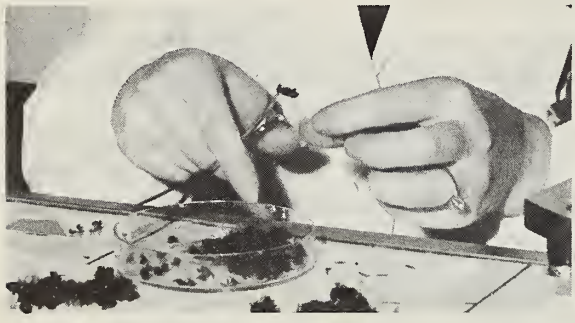
Benefits reaped in all phases of the program

Since agricultural research was first included under P.L. 480 in 1958, research projects have been backed in 30 countries on all continents except North America. This widespread research is authorized under Section 104 of Public Law 480, as amended, and aims to benefit U.S. agriculture by finding new uses for agricultural products, better marketing methods, improved agricultural crops, better means to ward off disease and insect infestations, and more productive forestry methods. Under this Act, agricultural commodities, such as corn and wheat, have been sold to countries lacking dollar exchange for payment in currency of the country. The currency is not convertible to dollars and, under the terms of the sales agreements, much of it must be spent in the purchasing country. A portion of these funds has been made available for research in agriculture.

In a number of ways the program has given ample proof of being a satisfactory method of achieving scientific advance. There has been no lack of proposals for grants; in fact, over 50 percent of them are not accepted. Results have been encouraging. One concrete example is a patent obtained for a new antioxidant for oat products developed by English scientists in 1964 under P.L. 480 auspices. Cooperation among scientists of different countries, never before undertaken on such a widespread basis, has been mutually profitable. Specific advantages to the United States stem from the opportunity for supplementary research on a foreign location and from receiving help on research not possible in this country. The recipient nations benefit from building up their laboratories and research capabilities, as a feature of P.L. 480 research enables institutions to purchase scientific equipment for the research on a cost-sharing basis. The projects have also permitted many junior scientists to continue their training in modern scientific techniques.

Finding projects of common interest (a stipulation for USDA demands that research be done in the interests of American agriculture) has not proved difficult. Occasionally the United States and another country are interested in one problem for two different reasons. For example, the Central Potato Research Institute in India received a grant to study the utilization of haploids in the breeding of potatoes. Scientists will do basic research on domestic and wild potatoes and their hybrids to find disease-resistant characteristics that can be bred into commercial potato varieties in the United States and other countries. The Indians are interested in the potatoes themselves, while the United States is interested in the techniques developed for the study.

Proposals for research come from both sides. The bulk of applications comes from foreign scientists desirous of



Counterclockwise from above left, bees are prepared for dissection in an Italian study of the acarine disease; inspecting planters of U.S. clover during study of its performance as a Finnish forage crop; the erucic acid content of a mustard sample is tested in Sweden.

P.L. 480 grants to finance their investigations. But often the ideas come from the Americans. A current forestry research project in Greece was suggested by the Forest Service, U.S. Department of Agriculture. The study aims to find genetic relationships among pines of the Mediterranean and Near East. The ultimate goal is to form hybrids between these pines and some of ours, hopefully imparting desirable characteristics like drought-, insect-, and mistletoe-resistance to the pines. This will in turn help create better trees for the United States.

In some grants, funding makes it possible to pick up where earlier P.L. 480 research stopped. Indian scientists have found several natural enemies of the European corn borer, the corn earworm, and the tobacco budworm; a new grant permits study that will concentrate on the biological and breeding techniques of new or unrecorded parasites and predators of these pests. In the same manner, Polish scientists are beginning study of the efficiency under field conditions of various strains of *Dahlbominus fuscipennis,* an important parasite of forest insect pests. In performing this research, the scientists will be conducting the second part of an earlier P.L. 480 project in which the most effective strains of this parasite were developed and studied under laboratory conditions. Results of the current project are expected to show how well these selected parasites perform in the field and whether they can thrive in a natural environment while maintaining their vigor and other desirable traits.

Preventive measures to fight pests

Hope of being the "ounce of prevention" is a motive that is becoming important to the pest control facet of the growing field of insect research. Our shrinking world makes it increasingly important for us to learn how to control agricultural pests we do not yet have.

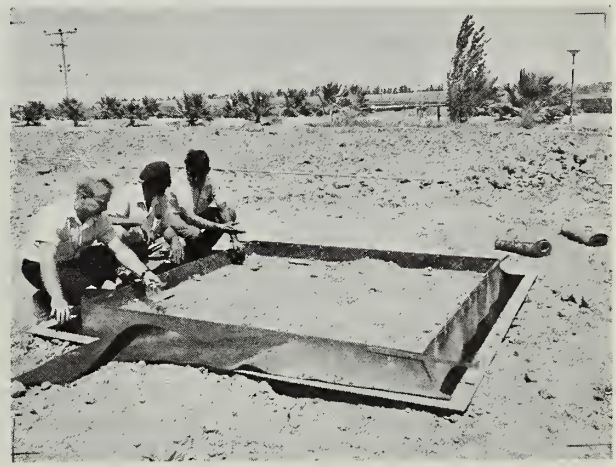
Among these preventive studies is a current Pakistani project on the natural enemies of forage and legume aphids. Scientists will try to find parasites and predators of the aphids and raise colonies of the most promising ones. The study will then describe the environment favorable to the insect enemies, which will help in selecting areas in the United States where establishment is most likely to succeed.

The need for preventive measures is as true of crop disease as of insect infestation. One example of work in this field is the Yugoslav study of Sarka (plum pox) virus, a serious and threatening disease of plums and prunes that is not now known to occur in this country.

Proof of the importance of such preventive measures is the growing problm the United States faces in the Eurasian watermilfoil, an aquatic plant pest. A native of Europe, Asia, and parts of Africa, *Myriophyllum spicatum* is now established in the United States and is rapidly becoming a major pest of U.S. waterways, lakes, ponds, and irrigation ditches. Because chemical control of this weed is expensive and of short-term value, objectives of a Yugoslav study seeking to discover pathogens, predators, and parasites will be to find the most effective biological controls which would be self-perpetuating and easy to manipulate.

Indicative of the good results frequently obtained from

Below, study in Israel measures water loss from soil through evaporation; bottom, durability of wood is being studied on this experimental plot in India.



Pollen is dusted on isolated female parents in an Indian sugarcane crossing project aimed at finding hybrids for use in the United States.

joint work on a common problem is the research being done on the Mediterranean fruit fly, a constant and widespread menace. This year Egypt received a grant to study the feasibility of the sterile male release method for area control or eradication of the Mediterranean fruit fly. By this method of pest control, male flies are sterilized and then released to mate with the females of a given area. Because the possibility of offspring has been prevented to a large degree, the total population of the area should quickly decline. Scientists of USDA's Agricultural Research Service have already shown that this technique will work with other insects. Egyptian scientists have developed low-cost methods for mass rearing of the fly for sterilization and release over large isolated areas which they plan to field test before it is used in a large scale. Unfortunately, the future of this project is uncertain because of the international situation.

Marketing problems investigated

Scientists involved in marketing research investigate quality control methods, ways to better preserve stored commodities, and means of controlling diseases and insects that attack them. In 1967 maintenance of stored crops and pest control problems received particular attention.

This year Poland received a grant to work on isolating the causes of mustiness in wheat and developing methods for its control. Researchers say the study will be of particular interest and value to wheat growers everywhere, because microorganisms, both fungi and bacteria, destroy about 4 percent of the world's grain supply annually by causing spontaneous heating, off-odors, and various types of kernel discoloration and deterioration.

Another type of marketing research, also dealing with storage problems, is being conducted in Yugoslavia. Scientists will study the effectiveness against stored-product insects of inert dusts, insect pathogens, temperature, and humidity. The object is to develop control measures for stored-product insects by methods that are nontoxic to humans and domestic animals. Insects destroy large amounts of agricultural commodities after they are harvested, but most pesticides cannot be used to control these pests because of the toxicity hazards involved. Therefore, the development of effective non-chemical controls would fill an urgent need.

A third type of research on storage problems is exemplified by a current study conducted under a P.L. 480 grant at the Hebrew University of Jerusalem. This investigation will attempt to determine the physiological phenomena related to seed germination to determine storage conditions and duration suitable to various seeds.

Not all research related to food production and storage deals with storing the finished product. A 5-year study completed March 8, 1967, in Brazil investigated the mechanization of sugarcane production. Another agreement completed this year involved the screening of native plants of Pakistan for potential use in the agriculture of the United States. Similarly, there was a project on the botanical exploration of eastern Turkey for plant materials of possible use as new crops for the United States and Turkey.

A project joining two areas of interest, i.e., pest control and marketing research, is that being conducted at Uttar Pradesh Agricultural University in India. Here studies of stored grain insect pests and their control will be conducted by entomologists in cooperation with chemists and economists. Their objectives are: to determine both qualitative and quantitative short- and long-term stored-grain losses caused by insect pests, to develop safe insecticidal control measures, and to ascertain the effect of the control residues on the grains.

From the general evaluation of praiseworthy cooperation between scientists of different countries to close analysis of individual projects with an eye to results, the 9 years of P.L. 480 research have proved worthy to farmers, traders, and consumers around the globe.

Model Farm Is Rural Malaysia in Miniature

Vice President Humphrey and his Malaysian hosts set out to inspect one of the demonstration plots on model farm.

A 14-acre demonstration farm in Malaysia is helping to fill that country's growing need for technically trained workers in agriculture. The farm, visited by Vice President Hubert Humphrey this fall, comprises experimental plots devoted to the known best or near best of the commodities that can be grown in Malaysia. Typical demonstration areas visited by Vice President Humphrey included plots of pomelos (a kind of grapefruit), limes, sweetpotatoes, and rice. At the end of the visit the farm's name was changed from "Malay Model Farm" to "Humphrey Farm."

The Vice President's visit drew national attention to a paramount need in this developing country—that for more trained agricultural personnel to provide the know-how for the Malaysian Rural Development Program. Two conditions have contributed to this need—the gap left when most of the British agriculturists left the country after Malaysia gained independence after more than a century of dependence and Malaysia's changing agriculture.

The farm serves as a teaching station for both students and farm families; research is carried on elsewhere. Ford Foundation scientists and a team of visiting professors from Louisiana State University are helping to develop the farm's curriculum and assist in the teaching.

—Based on report from
ROBERT E. ADCOCK
Agricultural Attaché, Kuala Lumpur

1968 Trade Fairs To Promote Products Worldwide

A full schedule of trade fairs and trade center promotions this year will give American farmers and food processors exposure for their products to tradesmen and consumers in 13 countries on 3 continents. The Foreign Agricultural Service plans repeat participation in the big annual and biennial international fairs plus a few first-time solo appearances in new markets. Heaviest fair concentration—as in the past—is in Western Europe, with other shows scheduled for the Middle East, Asia, and the Caribbean.

Promotion at most of the fairs will be two-pronged, with seminars and special areas set aside for the trade as well as the usual public cooking demonstrations, sampling, and across-the-counter sales. Where U.S. foods are moving in for the first time, exhibits will be relatively small and serve to introduce products to just importers, distributors, and institutional businessmen. The agricultural shows will all have special areas for the trade.

Special efforts are being made this year to encourage retail grocery stores in and around cities where fairs are held to stage "America Week" promotions during or soon after the exhibit. Excellent consumer response to past campaigns in supermarkets, grocery shops, and department stores has already prompted a number of retail chains to set up tie-in campaigns with the 1968 fairs.

Previous experience has shown that foods that are also on exhibit at fairs not only benefit from the enthusiasm and publicity generated at the exhibit but carry it to the crucial point of sale, where purchases sometimes double or triple the usual rate. FAS supplies banners, posters, price tags, shopping bags, and other selling aids to stores which take part in this important followup activity.

The 1968 agenda follows, with a brief look at what is planned for each show. More complete descriptions of the fall fairs will be available later this year. For information about participation by U.S.-based firms and commodity groups write: International Trade Fairs Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

Hotelympia, London, Jan. 9-18

The United States kicks off its 1968 food promotions next week at London's Hotelympia exhibition. The biennial event, which draws institutional buyers from hotels, hospitals, and schools in the British Isles and Western Europe, is considered the top catering show in Europe.

U.S. food exporters and their U.K. agents, plus U.S. firms as yet unrepresented in the United Kingdom, will have on display institutional packs of U.S. foods new to the British market or in new or improved packages. Edward Cunningham of the Grocery Manufacturers of America organization will serve as general representative for U.S. firms. Other FAS cooperators who will participate include the Rice Council for Market Development, the Institute of American Poultry Industries, California Cling Peach Advisory Board, Cranberry Institute, California Raisin Advisory Board, and the U.K. Lard Association. In addition, the U.S. Bureau of Commercial Fisheries will display assorted fish products.

Dr. Jeremiah J. Wanderstock of the Cornell School of Hotel Administration will be on hand demonstrating portion-controlled foods and menu planning.

At the 1966 U.S. exhibit, popular items were poultry, cranberries, frozen juices, fresh fruits and vegetables, and dishes made with U.S. rice.

Green Week, Berlin, West Germany, Jan. 26-Feb. 4

Green Week is a large public show where West German agents for the U.S. food-related trade man booths and sell items on display. As in the past, FAS will participate in collaboration with the United States Information Agency. Hundreds of thousands of West Germans, as well as other Europeans, have seen and purchased U.S. foods, as well as sampled traditional Alaskan, Hawaiian, and U.S. mainland dishes, at previous Green Week shows.

70th International Agricultural Exhibition, Verona, Italy, March 12-21

The U.S. exhibit at Verona—Europe's oldest and best known agricultural fair—will be a showcase for beef and dairy cattle, swine, rabbits, fats, and feedgrains.

About 10-15 Angus cattle will be sent from the United States plus breeding swine, white rabbits, and 2 quarterhorses. The Holstein-Friesian Association will have an information booth.

U.S. livestock breeders and cooperators associated with livestock feeding have participated in this international show annually since 1957. Italy is one of the United States strongest markets for breeding cattle and feedgrains. Last year some 4,500 Italian and foreign livestock and feed producers exhibited, and one-third of the 800,000 who visited the fair came to the American exhibit.

U.S. Food and Agricultural Fair, Tokyo, April 5-21

One of the largest solo agricultural trade fairs ever sponsored by the United States will take place in Tokyo this spring on Harumi Wharf. Food exporters, commodity groups, State governments, and private firms will take part in the consumer-oriented food show. The fair is the only major U.S. food promotion in Japan this year.

At the entrance of the huge exhibition hall an introductory corridor banked with photographs of rural America will channel visitors on to the commodity promotion area. Eighteen cooperators—virtually all that work with FAS in market development in Japan—have signed up for booths to promote poultry, soybeans, citrus, leather, tallow, and the many other U.S. products sold to this $1-billion market for American farm products.

Immediately adjacent to the exhibition hall is an outdoor livestock area for dairy and beef cattle and swine.

A Hall of States will feature products from farms in Mississippi, Wisconsin, North Carolina, Illinois, Pennsylvania, Iowa, Michigan, North Dakota, Maryland, Colorado, Nebraska, Washington, and Alaska.

In the center of the huge exhibition hall, counter stalls are being set up for 45 private food firms to display and sell their merchandise. Fashion shows are planned for cotton and leather wear, and outdoor food stands will sell popcorn, hotdogs, fried chicken, and other American snacks.

Feature of the fair is a model self-

service store stocked with hundreds of ready-to-sell food items, many not shown elsewhere in the show.

Tokyo food stores will be staging an intensive promotion for the American foods on their shelves while the fair is in progress.

7th Feria del Campo, Madrid, May 23-June 23

The United States will be one of some 12 countries exhibiting agricultural products and equipment at this month-long, triennial international farm show. The U.S. pavilion will house about 10 head of Hereford, Polled Hereford, Angus, Santa Gertrudis, and Holstein-Friesian cattle and about 5 quarterhorses.

U.S. Feed Grains Council, Soybean Council of America, Inc., and National Renderers Association will demonstrate how using balanced high-energy rations in livestock feeding increases productivity, rate of growth, and economy of feed consumption. Spain is one of the United States best European customers for cattle and feedgrains.

National Agricultural Fair, Santarem, Portugal, June

The United States is going back to the Santarem event after a highly successful first showing in June 1967 in the new, permanent pavilion for American cattle and feedstuffs. Holstein-Friesians and Herefords—both popular in last year's show—will again be on display, this time showing the results of feeding trials. Cooperators working with FAS at Santarem will be the Holstein-Friesian Association, American Hereford Association, U.S. Feed Grains Council, Soybean Council of America, Inc., and the National Renderers Association.

The show is expected to boost already soaring sales of U.S. cattle and feedstuffs to Portugal; last year the country was a record U.S. cattle purchaser buying more than 1,900 head.

St. Eriks-Masson, Stockholm, Sept. 4-15

Display counters stocked with U.S. consumer food products will be at the annual St. Eriks show, a followup to the U.S. food show held in Stockholm last April. Food firms and cooperators will be in the public fair to show and sell their products—some of them brand new to Sweden. A special trade area is being arranged to encourage new trade contacts.

The United States staged two food promotions in Sweden last year, involving 14 Stockholm stores, in response to market surveys pointing up good selling opportunities.

23d International Fair of Dairy Cattle, Cremona, Sept. 9-11

U.S. dairy cattle breeders and feedgrain cooperators are planning to be at Cremona for the fourth time. The International show is restricted to exhibition of dairy breeding cattle of specified breeds. This year, as in previous shows, the United States is exhibiting Holstein-Friesians.

Last year the United States sent 41 cattle, rated by dairyshow President Giuseppe Maffei as the best cattle he had seen offered to the Italian dairy market. All animals were sold by the end of the show.

2nd International Food Fair, Belfast, Sept. 9-17

U.S. participation in the international Belfast fair is this country's first, part of USDA's efforts to carry its food campaigns beyond the huge metropolitan areas to smaller regional capitals. (Recent shows in Manchester and Leeds, for example, have done well following up major fairs in London.)

The Belfast show, which is sponsored by the Irish Retail Food Dealers Association, will follow the English Ideal Home Show format with household products as well as new U.S. food items on display and up for sale. U.S. cooperators and food-related trade are expected to take part.

International Exhibition of Groceries and Fine Foods (IKOFA), Munich, Sept. 21-29

One of Europe's largest and best trade-oriented fairs, IKOFA will host exhibits by most major world food producers and attract buyers from all over the Continent. The United States has been in the biennial show three times since 1960.

Highlight of the 1966 U.S. exhibit was a Hall of States, featuring regional specialties of the United States. In another area, commodity booths pushed turkey sandwiches, chicken, rice, pecans, honey, soya products, canned and dried fruits and other food items. German consumer and trade interest in the some 900 different items from 110 U.S. firms generated about $7 million in orders for future deliveries.

Beirut Fall Show, Beirut, Oct. 13-19

FAS plans to go ahead in 1968 with the processed food show it canceled last year because of the Middle East conflict. The trade exhibit will be held in the ballroom of the Phoenicia Hotel.

FAS and U.S. food exporters and cooperators are making their first pitch in Lebanon for consumer products, aiming primarily at the trade. An important world trading center for centuries, Lebanon has become a potentially good "pocket market" for all processed foods, according to recent market surveys. The country already buys sizable quantities of U.S. vegetable oils and fats, processed fruits and vegetables, some meat and dairy products, wheat and flour, and corn.

Salon International de l'Alimentation (SIAL), Paris, Oct. 27-Nov. 4

U.S. processed foods and commodities will be on exhibit at this large, biennial, international food show. Food firms and cooperators will have booths and offer consumer items for sampling and selling. As in most of the large public shows, a private area will be set aside for U.S. exhibitors or their agents to talk with French food businessmen.

The United States participated in SIAL for the first time in 1964, then again 2 years later. At the 1966 SIAL, over 1,250 European tradespeople signed up the "trade only" area of the U.S. exhibit to see a wide variety of canned and glass-packed vegetables, fruits, juices, sauces, packaged mixes, snacks, and other foods. Some 70 American firms showed their merchandise there and elsewhere in the fair.

U.S. Food Show, Alpine area, Nov. 15-20

The solo U.S. exhibit in an Alpine area will be centered on food products for resort hotels hospitals, schools, and other similar institutions. Vienna is the tentative site. U.S. food firms and their agents with catering packs will be showing at the exhibit, which will be held in a prominent hotel.

U.S. Food Show, Bangkok, November

If current negotiations are successful, U.S. food firms will again be invited to display their products in Bangkok, this time with consumer-oriented exhibits and items for sale. This show will be a followup to the introduction of American foods new to Thailand at the U.S. Food Exhibi-

tion and Seminar last fall. Visitors will shop in a fully-stocked self-service store. Demonstration chefs will give cooking tips, and a private trade lounge will help stir up trade contacts.

Caribbean Food Shows, Oct. 27-Nov. 7

Three trade shows will be held in tandem on the islands of Barbados, Trinidad, and Curaçao. Each will last about 3 days and will feature processed foods for which U.S. officials believe there is a growing market in this popular tourist area where living standards are improving markedly. A survey in late 1966 showed the Caribbean in need of a "full market basket," small quantities and a continuous supply of a wide variety of foods. For details, see *Foreign Agriculture*, Jan. 23, 1967.

Trade Center exhibits, spring and fall

Each year, FAS also sponsors several trade shows at the three U.S. Trade Centers where it maintains permanent offices.

The Milan Trade Center's annual winter show—in the past centered on processed foods—this year will make a pitch for Italy's institutional market, displaying products in catering-sized packages. Tradesmen attending will include buyers for hotels, restaurants, hospitals, and other institutions. The show will run from January 20 to 27.

The annual spring show at the London Trade Center this year will feature fresh fruits and vegetables. Slated for March 6-14, the show will be an effort to capture a larger share of the off-season market in the United Kingdom. This country, with 55 million consumers, produces only 50 percent of its fresh produce needs, leaving the other 50 percent open for imports. In the spring of 1965, FAS displayed such produce at a fruit and vegetable show, and surveys revealed increased sales afterwards. Among the products with good sales potential are grapefruit—now that the U.K. import restriction has been liberalized—celery, spring onions, strawberries, avocados, broccoli, tomatoes, asparagus, Emperor grapes, sweet corn, peppers, radishes, and salad greens.

No show is planned for the Tokyo Trade Center this spring, as FAS and the U.S. food trade prepare for the special U.S. fair at Harumi Wharf. Fall shows will be held in London and Tokyo, and the themes of these will be announced later.

Deciduous Fruit Production and Exports Down in Italy

Italy, one of the major suppliers of fresh deciduous fruit to countries in the European Economic Community and associated with it, had a marked drop in fruit production in 1967. It appears that exports have declined too. Prices, however, have been satisfactory, and all summer fruits brought above-average returns.

Revised production figures for 1966 and preliminary figures for 1967 for some important Italian deciduous fruits are given below:

Fruit	1966 *Metric tons*	1967 *Metric tons*
Apples	2,584,400	2,190,000
Peaches	1,423,400	1,190,000
Pears	1,249,200	1,020,000
Cherries	266,400	213,100
Plums	140,000	127,000
Apricots	77,000	64,000

The production drop in pears was about 18 percent, in apricots 17 percent, in peaches 16 percent, in apples 15 percent, in plums 9 percent, and in cherries 6 percent.

Although peaches are second in volume of production, they have the highest value of exported deciduous fruits—$69 million in 1966. Peach production declined sharply this year, however, because about 3 million trees in the Ferrara and Ravenna areas died from root asphyxia when underground water levels rose after abnormally high rainfall during the first 6 months of 1967. The peach trees killed were planted in reclaimed swamp areas. Production of peaches will be affected for several years, and indications are that farmers will replant with pear or apple trees, which were not harmed by the rise in underground water.

Export trends in 1967 in general followed production trends closely because nearly all of Italy's fruit exports are of fresh rather than processed fruit. The biggest export loss was in peaches—down 43 percent from 1966. Apricot exports fell about 20 percent. Cherry and plum exports, even though production fell, were slightly above the 1966 level. Exports of pears thus far for the marketing season 1967-68 were 33 percent less than in the same period of 1966-67; and apple exports were down 30 percent.

Both the foreign and domestic demand for apples has been weak during the 1967-68 marketing season. Domestic consumers preferred the good table grapes available in Italy; low foreign demand resulted from high apple production in France and Germany—two of Italy's chief apple customers. On the other hand, Great Britain had a poor apple crop, which may increase Italian exports to that country.

—Based on dispatches from
A. Paul Danyluk
Assistant U.S. Agricultural Attaché
Rome

More Wheat Exports to India From All Suppliers

The share of India's wheat imports supplied by the United States declined from about 90 percent of the 6.6 million tons imported in 1965 to less than 75 percent of total imports in 1967. Shipments for 1967, other than those entering under P.L. 480, were almost double the approximate 1.25 million metric tons of 1966. This included a record 780,000 tons of Australian wheat and flour; 900,000 of Canadian wheat, an amount equal to the previous record; 200,000 of Russian wheat, more than ever before shipped from this source; and over 100,000 of wheat flour from Canada and Western Europe.

Most of the wheat and flour shipped by other countries was in the form of donations, although imports on commercial terms also were higher than in any other recent year.

From 1957, when large shipments of American wheat to India under P.L. 480 began, through 1966 the only other countries sending wheat to India were Canada and Australia. Shipments in 1967 by these two suppliers were about four times the average 420,000 tons during 1961-65.

The closing of the Suez Canal delayed shipments to India. During the early summer months India imported less wheat than it needed but made up for the short shipments with larger imports from August through October.

'68 Look for Cotton Casuals Takes Final Shape in IIC Campaign

"Cotton Casuals '68"—one of the current promotion campaigns of the International Institute for Cotton—is just now reaching European consumers through sketches and swatches appearing in fashion advertising. Catalogues, countercards, and posters now on display come as the end step in promotion work begun a year ago, when IIC selected the design team—Peter Golding of London, Datti of Rome, and Perry Pedersen of Bergen.

The Institute, an organization actively supported by 6 cotton-producing nations — India, Mexico, Spain, Tanzania, Uganda, and the United States—promotes cotton products internationally. Advertising and market development is geared to take advantage of the growing European consumer interest in leisure wear. Since cotton is well suited for casual apparel, IIC stresses the aptness of associating cotton with this modern and fast-growing market to strengthen cotton's fashion image.

Simplicity—the key for 1968

The 3 members of this year's team spent the early part of 1967 designing the collection of casual wear in outstanding cottons now reaching store racks across Europe. Once again this project has centered on men's leisure wear. New emphasis for 1968 points up fabric textures as well as the comfort of cotton and builds on the color blue and strong simple lines. The underlying theme and special features, in addition to selection of idea models for the sketch book, resulted from several meetings in Brussels, following upon draft work of team members.

The sketch books, containing information on the design team and drawings with appropriate swatches, were sent to makers-up in early April. Designs were received gratis on a basis of exclusive-in-your country use. Seventy-four manufacturers from 13 countries then signed an agreement with IIC confirming their intent to produce and include the "second-generation" garments made of pure cotton in their own commercial collections. Sketches were released to trade magazines and the press on an exclusive basis for publication coinciding with the Cologne International Men's Wear Fair—top fashion event of the year for men's clothing.

Commercial work started that month with the opening of the fair in Cologne. In 1967 IIC invited 600 trade press journalists to its press show, where they received 4 fliers on various aspects of "Casual Cottons '68" and pictures of the idea collection. They then saw a 60-minute presentation of 100 garments produced by makers-up joining IIC promotion.

An information stand at the fair exhibited selected cotton garments and several IIC cotton fashions were among those modeled during the fair's daily style show. Advertising was also sparked in August by publication of a merchandising planner presenting garment pictures, design information, and names of participating manufacturers for distribution at Cologne and mailing to 2,500 potential buyers. Results of this promotion were excellent in 1967—6 magazines featured the collection on the cover and a dozen others published editorials.

This complex timetable of activities has been successfully promoting sales of pure cotton clothing for a number of years.

Competition from synthetics

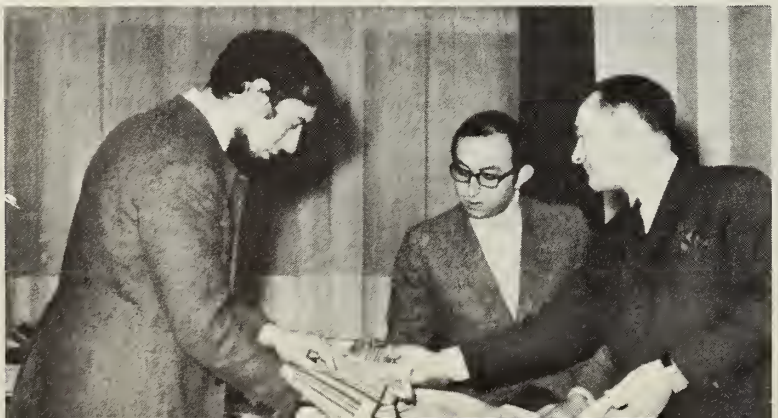
The Institute has worked to hold and improve cotton's position in the world textile market. Cotton faces stiff competition from synthetic fibers, which are produced by a few large manufacturers with control from production through retail distribution and advertising. IIC provides a similar cohesive frame for the millions of cotton growers, and the thousands of ginners, merchants, spinners, weavers, garmentmakers, and retailers involved in marketing and processing cotton.

Fashion Council takes part

An affiliation helpful to IIC promotion is its joint work with the International Fashion Council, an organization representing some 35 leading men's wear manufacturers in 20 countries which consistently receives large-scale press publicity. In 1967 IFC produced a sketch book of men's casual cottons—"Man-'68." The collection contains cotton leisure shirts, Jamaican-inspired cottons for the beach, and recommended cotton fabrics. Journalists invited to a photo preview held in connection with the Herenmode-beurs, a men's wear fair in Amsterdam, received press kits, with stories, pictures, and a brochure including samples of new cotton fabrics.

—HERMAN SOETAERT
International Institute for Cotton

Right, from IIC's sketch book garb for a fashionable deckhand. Below, designers Golding, Datti, and Pedersen select the fabrics for "Cotton Casuals '68".



Weekly Report on Rotterdam Grain Prices

During the week ending December 19, 1967, Canadian wheat offer prices in Rotterdam increased, while U.S. hard wheat prices decreased. U.S. soft and Argentine wheat prices were unchanged.

U.S. corn prices decreased, while Argentine and South African corn prices increased.

Item	Week ending Dec. 19	Week ending Dec. 13	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.08	2.06	2.24
U.S. No. 2 Dark Northern Spring, 14 percent	1.97	1.98	2.08
U.S. No. 2 Hard Winter, 12 percent	1.86	1.88	1.93
Argentine	1.92	1.92	1.91
U.S. No. 2 Soft Red Winter	1.77	1.77	1.93
USSR 121	2.03	2.01	(1)
Corn:			
U.S. No. 3 yellow corn	1.42	1.44	1.62
Argentine plate	1.82	1.80	1.81
South African white	1.47	1.45	(1)

1 Not quoted.

NOTE: All quotes are c.i.f. Rotterdam and for 30-to-60-day delivery.

Canada Sells Wheat to Mainland China

Canada's Trade Minister announced on December 12 that the Canadian Wheat Board sold 78.4 million bushels of wheat to Mainland China worth Can$150 million.

This sale was made under the terms of the agreement signed in August of 1966 which calls for a minimum of 168 million and a maximum of 280 million bushels over 3 years. As with the previous sales, the payment terms are 25 percent cash and the balance in 18 months with interest. The delivery period is January 1967 to October 1968.

Including this sale, total Canadian sales to Mainland China under the 1966 agreement are 177 million bushels.

Philippine Cotton Consumption and Imports Up

The Philippine cotton textile industry continues to expand following a slack period in 1963-64. Consumption increased to 200,000 bales (480 lb. net) in 1966-67 (August-July) from 150,000 the previous year and was about 15 percent above the 1961-65 average of 170,000. Improvements in the textile industry can be credited partly to the Philippine Government for restricting "technical smuggling" of textile products (i.e., importing piece goods into the country as remnants that were deliberately cut short to bypass regulations, and importing used cotton goods grossly undervalued), which was a serious problem to the Philippine domestic market.

In addition, a 7-year tax exemption was granted to the textile industry by the Philippine Government in 1964 on raw materials, chemicals, dyestuffs, and spare parts used in operations. Production and sale of finished products are also exempt from tax.

Raw cotton imports in 1966-67 totaled about 200,000 bales, compared with 149,000 a year earlier. During the first 11 months of 1966-67, the United States supplied 126,000 bales, or 65 percent of total cotton imports, an increase from 91,100 bales for the same period in 1965-66 and from 98,400 for the full 1965-66 season.

Imports from Mexico totaled 38,000 bales in August-June 1966-67, about equal to those of the same period the previous year. Smaller amounts of cotton were imported from Guatemala, Brazil, and Nicaragua. In addition to importing cotton, Philippine textile manufacturers import a major portion of the manmade fibers used in textile production, primarily from Japan. Manmade fibers constitute more than 25 percent of the raw materials consumed by the textile industry.

Stocks on hand on August 1, 1967, were around 23,000 bales. This is about a month's supply at the current rate of offtake and a reduction of 6,000 bales from a year earlier.

Spanish Raisin Pack Below Average

Spain's 1967 raisin pack is estimated at 8,900 short tons, 16 percent above the 1966 pack of 7,700 but 18 percent below the 1961-65 average of 10,900. Current reports indicate that Málaga raisin production totaled 6,600 tons, and Denia production, 2,300. Production totaled 5,100 and 2,600 tons, respectively, in these areas during 1966.

Although it is difficult at this time to measure the impact of the recent devaluation of the Spanish peseta, exports are expected to total slightly less than the 2,800 tons of 1966-67. During the first 2 months of the 1967-68 season, Sweden and the United Kingdom were the major export outlets for Spanish raisins.

SPAIN'S RAISIN SUPPLY AND DISTRIBUTION

Item	1965	1966	Forecast 1967
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	2.2	1.7	0.1
Production	11.0	7.7	8.9
Imports	—	—	—
Total supply	13.2	9.4	9.0
Exports	3.5	2.8	2.7
Domestic disappearance	8.0	6.5	6.2
Ending stocks (Aug. 31)	1.7	.1	.1
Total distribution	13.2	9.4	9.0

Record Australian Canned Pineapple Pack

Australia's 1967 canned pineapple pack is forecast at an alltime high of 1,488,000 cases, almost 10 percent above the previous record established in 1966. The summer pack, canned between January and April, is estimated at 888,000 cases, compared with 814,000 in 1966. The forecast for the winter pack, canned between May and December, is 600,000 cases approximately 50,000 more than was realized a year earlier.

The bulk of Australian canned pineapple production is consumed on the domestic market. However, with produc-

tion expanding, the export outlet is commanding greater attention. In 1966, Australia exported 400,000 cases, 110,000 above the 1965 movement. For the first 9 months of 1967 export shipments totaled 521,000 cases and are expected to reach 650,000 by the end of the year. The United Kingdom and Canada are Australia's principal customers, purchasing a combined total of 85 percent of the 1966 exports.

AUSTRALIA'S SUPPLY AND DISTRIBUTION OF CANNED PINEAPPLE

Item	1965	1966	1967 [1]
	1,000 24/2½ cases	*1,000 24/2½ cases*	*1,000 24/2½ cases*
Supply:			
Beginning stocks (Jan. 1)	142	184	196
Production	1,220	1,363	1,488
Total supply	1,362	1,547	1,684
Distribution:			
Exports	289	400	650
Domestic disappearance	889	951	900
Ending stocks (Dec. 31)	184	196	134
Total distribution	1,362	1,547	1,684

[1] Forecast.

Chilean Wine Production Down

Chilean wine production is estimated at 113 million gallons in 1967, 9 percent below the 1966 level of 125 million and 8 percent below the 1961-65 average. Quality of the 1967 vintage was generally good, although bad weather during harvest in the southern zone reportedly caused an increase of the volatile acidity in wines of that area. The average alcohol content is estimated at above 12 percent.

Year	Wine production
	Thousand gallons
1961	128,200
1962	146,072
1963	121,679
1964	127,786
1965	96,384
1966	125,115
1967 estimated	113,600

Vineyard acreage devoted to wine production has been slowly increasing in recent years. Grapes for wine totaled 256,985 acres in 1966, 109,713 irrigated and 147,272 unirrigated.

ACREAGE AND VINEYARD NUMBERS IN CHILE

Year	Number of vineyards	Acreage		
		Irrigated	Unirrigated	Total
		Acres	*Acres*	*Acres*
1961	27,159	108,452	141,087	249,539
1962	26,731	109,211	143,377	252,588
1963	27,424	109,515	140,360	249,875
1964	27,582	109,660	145,824	255,484
1965	27,596	109,713	146,283	255,996
1966	27,620	109,713	147,272	256,985

Exports of wine during 1966 totaled 1,255,925 gallons, 2 percent above 1965. The principal export markets for bulk wine (in drums or barrels) were West Germany, Switzerland, and Belgium. The United States, Colombia, Peru, and Brazil were the principal purchasers of bottled Chilean wine.

The Ministry of Economy fixed prices to producers of 1966 and 1967 wine at 20.50 escudos per 40 liters of red wine and 25.00 escudos per 40 liters of white wine with 11 percent alcohol, f.o.b. Lontue and Molina.

EXPORTS OF CHILEAN WINE IN CALENDAR 1966

Country of destination	Bottled		Bulk [1]	
	Gallons	*U.S. dol.*	*Gallons*	*U.S. dol.*
Argentina	244	586	—	—
Belgium	—	—	88,650	38,853
Brazil	28,184	62,509	—	—
Canada	1,567	4,646	—	—
Colombia	61,418	182,212	—	—
Costa Rica	557	1,994	—	—
Denmark	222	650	20,270	9,090
Ecuador	7,891	18,330	12,186	7,831
France	132	417	—	—
Guatemala	1,221	4,125	—	—
East Germany	2,053	5,712	—	—
West Germany	810	1,726	585,069	205,766
Honduras	111	375	—	—
Italy	679	2,333	—	—
Japan	—	—	1,863	1,547
Mexico	13,525	41,685	—	—
Netherlands	89	249	7,268	4,021
Norway	—	—	3,802	1,875
Panama	5,186	18,054	—	—
Paraguay	1,241	2,442	—	—
Peru	30,220	88,818	—	—
El Salvador	178	566	—	—
Switzerland	24	125	296,031	117,921
United Kingdom	632	2,187	2,777	1,505
United States	72,822	135,965	—	—
Uruguay	632	1,671	—	—
Venezuela	8,056	26,002	—	—
Israel	133	357	—	—
Antilles	111	375	—	—
Spain	71	221	—	—
Total	238,009	604,332	1,017,916	388,409

[1] In drums or barrels.

Spanish Canned Deciduous Fruit Pack Higher

Spain reports a larger pack of canned deciduous fruit, even though severe spring frosts reduced 1967 deciduous fruit production. The 1967 canned apricot pack is estimated at 4,525,000 cases, equivalent 24 No. 2½ size cans, 7 percent above the 1966 pack of 4,235,000. Apricot pulp packed in water made up approximately 69 percent of the pack; the remainder is fruit packed in syrup. The 1967 pack of canned peaches is estimated at 3,300,000 cases, slightly above the 1966 level of 3,253,000. The pack of peaches canned in syrup exceeded the 1966 output; the pack of peach pulp declined.

SPANISH PACK OF CANNED APRICOTS AND PEACHES

Products	1965	Revised 1966	Estimate 1967
	1,000 cases [1]	*1,000 cases* [1]	*1,000 cases* [1]
Apricots:			
Pulp	3,295	2,934	3,100
In syrup	1,178	1,301	1,425
Total	4,473	4,235	4,525
Peaches:			
Pulp	1,699	1,933	1,850
In syrup	1,196	1,320	1,450
Total	2,895	3,253	3,300

[1] Equivalent cases of 24/2½'s.

Japanese Canned Deciduous Pack Below 1966

The 1967 Japanese canned deciduous fruit pack is estimated at 5.2 million cases (equivalent 24/2½ size), 11 percent less than the record 1966 pack of 5.8 million cases. Growing conditions were favorable during 1967, and packs of all fruits except peaches showed increases.

Canned deciduous fruit represents a small but growing segment of the Japanese fruit industry. Canned peaches, apples, pears, and cherries comprise the bulk of the pack, with canned peaches and pears the principal export items.

The 1967 pack of canned peaches is reported at 3,061,000 cases, 18 percent below the record 1966 pack of 3,743,000. Favorable growing conditions provided a peach crop 8 percent above 1966, but heavy carryover stocks have reduced canner demand for peaches and switched tonnage to other outlets.

Severe price competition in the export market hampered canned peach exports during the 1966 season. Exports totaled 91,000 cases in 1966-67, 29 percent below those of 1965-66. Exports during the 1967-68 season are expected to total less than during last season. The United Kingdom and the United States were the principal export markets for canned peaches during the 1966-67 season.

The 1967 canned pear pack is estimated at 459,000 cases, 6 percent above last year's pack and 41 percent above 1965's. Local demand, which was supported by a successful market promotion plan during the 1966-67 season, is expected to continue its expansion. Exports declined substantially during last season partially reflecting the sharply higher Japanese domestic demand for pears. Exports during 1967-68 are expected to approximate last season's level of 32,000 cases. Japan's principal export markets for canned pears during the 1966-67 season were the United States, the United Kingdom, Aden, and Sweden.

JAPAN'S CANNED DECIDUOUS FRUIT PRODUCTION [1]

Type	1965	Revised 1966	Estimated 1967
	1,000 cases	*1,000 cases*	*1,000 cases*
Peaches:			
White	2,388	3,015	2,506
Yellow	669	728	555
Total	3,057	3,743	3,061
Pears:			
Bartlett	235	386	406
Japanese type	91	47	53
Total	326	433	459
Apples	788	907	960
Cherries	346	351	373
Mixed fruit	269	255	213
Grapes	48	52	57
Apricots	42	51	53
Grand total	4,876	5,792	5,176

[1] 24 size 2½ cans.

JAPAN'S CANNED PEACH SUPPLY AND DISTRIBUTION [1]

Item	1965	Revised 1966	Forecast 1967
	1,000 cases	*1,000 cases*	*1,000 cases*
Beginning stocks (Aug. 1)	213	107	693
Production	3,057	3,743	3,061
Imports	54	96	118
Total supply	3,324	3,946	3,872
Exports	128	91	75
Domestic disappearance	3,089	3,162	3,477
Ending stocks (July 31)	107	693	320
Total distribution	3,324	3,946	3,872

[1] 24 size 2½ cans.

JAPAN'S CANNED PEAR SUPPLY AND DISTRIBUTION [1]

Item	1965-66	Revised 1966-67	Forecast 1967-68
	1,000 cases	*1,000 cases*	*1,000 cases*
Beginning stocks (Aug. 1)	64	21	53
Production	326	433	459
Imports	3	2	2
Total supply	393	456	514
Exports	64	32	32
Domestic disappearance	308	371	418
Ending stocks (July 31)	21	53	64
Total distribution	393	456	514

[1] 24 size 2½ cans.

Japan Importing More Honey

Japan is expected to import approximately 30 million pounds of honey in calendar 1967, an increase of 25 percent over 1966 imports. Japan's imports of honey were negligible before 1963 when honey imports were liberalized. Honey imports now carry a 30 percent ad valorem duty.

The import gain reflects Japan's declining honey production from an average of 14.7 million pounds during 1960-64 to an estimated 11 million in 1967. The production decline is reportedly attributed to the reduction in rapeseed acreage and to the larger proportion of the vetch crop being fed to livestock. These two crops are traditionally the main floral sources for honey in Japan.

Mainland China continued to be the principal supplier of Japan's honey imports during the first 7 months of 1967. Other major suppliers were Argentina, Hungary, Romania, the United States, and the Soviet Union. Most of Japan's honey consumption is for table use in the home.

JAPAN'S IMPORTS OF HONEY, JANUARY-JULY 1967

Origin	Quantity	Unit Value	Value	Share of total
	1,000 pounds	*U.S. cents per pound*	*1,000 dollars*	*Percent*
Mainland China	9,813	11.2	1,099	45.5
Argentina	4,153	13.5	562	23.3
Hungary	1,894	17.7	336	13.9
Romania	812	17.4	141	5.8
United States	408	19.6	80	3.3
Soviet Union	347	17.3	60	2.5
Other	693	19.9	138	5.7
Total	18,120	13.3	2,416	100.0

Argentina Sets Sugar Production Limit

The Argentine Government has announced that sugar production in 1968 will be limited to 750,000 metric tons, which is the same volume established for 1967, when actual production was about 20,000 tons less. The shortfall was due to frost damage to the cane in some areas. The government also announced the following measures for the 1968 sugar crop:

1. A minimum price of 2,100 pesos (US$60.00) per metric ton of cane meeting the base of 11-percent sucrose content and 80-percent purity.

2. A bonus of 280 pesos (80 U.S. cents) per ton for each percent of sucrose content over the base, and 21 pesos per ton for each percent of purity over the base.

3. A deduction of the amounts named above for each percent of sucrose content and purity below the base.

The government is maintaining production controls on sugar to reduce the existing surplus, which amounted to almost 500,000 metric tons at the beginning of the cur-

rent sugar year (May 1, 1967). Domestic consumption averages about 850,000 tons annually.

Venezuelan Sesame Production Increases

Sesame production in Venezuela in 1967 is now estimated at 65,000 metric tons, compared with 60,000 in 1966. Acreage remained approximately the same, but yields per acre increased 8 percent, averaging 1,508 pounds in 1967. The yield increase is attributed to favorable weather conditions and to the government's successful certified-seed program.

Imports of sesameseed are still required, however, to meet domestic demand for both seed and oil. Sesame oil produced in 1966 totaled 32,035 tons, according to the Ministry of Development. Estimated 1967 production, based on crushing data, should reach 36,000 tons. The entire sesame oil output is used by the Venezuelan table-oil industry.

Pakistan's Cigarette Output Rising

In 1966, Pakistan's cigarette output totaled 29,242 million pieces. This was 33 percent larger than the 22,009 million produced in 1965 and more than double the 1960-64 average of 14,150 million.

PAKISTAN'S CIGARETTE OUTPUT

Year	Quantity	Year	Quantity	Year	Quantity
	Million pieces		*Million pieces*		*Million pieces*
1955	4,833	1959	8,771	1963	16,267
1956	5,343	1960	9,946	1964	18,770
1957	6,481	1961	2,065	1965	22,009
1958	7,468	1962	13,696	1966	29,242

The United Kingdom Imports More Tobacco

The United Kingdom's imports of unmanufactured tobacco during the first 9 months of 1967 totaled 189.2 million pounds, nearly 25 million more than those for January-September 1966.

Imports from the United States, at 70.1 million pounds, were 14 percent above the 61.5 million last year. Takings from Canada were 42.6 million—up nearly 6 million from those of a year ago. Purchases of Indian leaf, at 47.2 million pounds, were nearly double those of the first 9 months of 1966. There were no imports from Rhodesia this year, compared with 15.2 million in January-September 1966. Imports from South Africa were larger, and about 2.5 million pounds were brought in from South Korea.

U.K. TOBACCO IMPORTS

Origin	January-September 1965	1966	1967
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Commonwealth:			
India	29,785	23,679	47,214
Canada	33,940	36,469	42,636
Malawi	6,745	7,707	5,553
Tanzania	118	2,588	2,247
Zambia	14,182	1,793	1,493
Jamaica	514	648	978
Pakistan	0	0	800
Rhodesia	44,284	15,210	0
Other	416	263	410
Total	129,984	88,357	101,331
Non-Commonwealth:			
United States	47,071	61,514	70,130
South Africa, Rep. of	4,659	6,762	8,822
Netherlands [1]	2,293	3,031	2,814
South Korea	0	0	2,492
Other	302	4,699	3,579
Total	54,325	76,006	87,837
Grand total	184,309	164,363	189,168

[1] Re-exports.
Tobacco Intelligence, London.

U.K. Cigarette Exports Continue Upward

Cigarette exports from the United Kingdom continue to increase. During January-September 1967, they totaled 25.3 million pounds, up 9 percent from the 23.2 million pounds shipped out in January-September 1966.

About 8.8 million pounds, or 35 percent of the total, was destined to Commonwealth areas this year, with the largest markets including Hong Kong, Aden, and Singapore. Non-Commonwealth countries purchased 16.5 million pounds of British cigarettes in the first 9 months of 1967. The most important outlets were Kuwait, former French areas in Africa, West Germany, the Sudan, France, the Canary Islands, and Ireland.